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U.S. Office of War Information
Title:
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SURPLUS WAR PROPERTY

I: THE BASIC FACTS
II: THE BASIC PROCEDURES

Official Documents of the Office of War Information
and the Surplus War Property Administration

Public Affairs Press
WASHINGTON, D. C.

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Further information about surplus war property can be obtained from the Government Information Bureau, a private research organization, and *Victory Bulletin* ("The Weekly Source of Official Information"), a magazine issued by Public Affairs Press. Communications should be addressed to 2153 Florida Avenue, Washington 8, D. C.

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I: THE BASIC FACTS

An Office of War Information report based on information supplied by the Surplus War Property Administration, War Production Board, War and Navy Departments, United States Maritime Commission, War Food Administration, Reconstruction Finance Corporation and Procurement Division of the Treasury Department.

Disposal of surplus war property, which is accruing at a rapid rate today because of terminated contracts and obsolescence, and which will develop in gigantic quantities when the European phase of the war ends, will be one of the major problems faced by the Government in the transition from a war to a post-war economy.

Some Primary Facts on Surpluses

1. Surplus war property in the hands of industry today is estimated by the War Production Board to be worth $500,000,000 (based on cost) and is increasing in volume steadily. This does not include property left over at the time of contract terminations, or property held by the Maritime Commission, Army, Navy, and other Government agencies.

2. Surpluses of all kinds—including "excesses" of inventoried items as reported by war plants to WPB, and finished goods in Army, Navy, and other government stocks (but not including materials left over from terminated contracts)—are being disposed of today at a rate of more than $25,000,000 weekly. The rate of disposal should be much faster, SWPA believes.

3. Surpluses today are of three general types:

a. "Excesses" reported by industry. This includes materials that are idle and material that is in excess of 60 days' forward requirements.

b. Property left over from terminated contracts. This includes raw materials, goods in process, production equipment and plants, but little in the way of finished goods.

c. Surpluses that are accruing daily as the strategy of war changes. These include items that become obsolete as the appetite of the war machine calls for newer, faster, more devastating weapons; used materials that are surplus to the needs of the owning agencies in the Government (such as the Army, Navy, Maritime Commission); real estate, war plants, boats, etc.

4. The mass of surpluses will develop at the end of the war, and will fall into seven general categories: (1) industrial facilities; (2) merchant ships; (3) military construction—airfields, camps, navy yards and bases, and installations of all kinds; (4) war housing, including accommodations for war workers, and community facilities such as hospitals and schools built as Federal projects; (5) finished goods, such as blankets, shoes, and planes; (6) stockpiles, such as tin, industrial diamonds, copper and other controlled materials; (7) and inventories in the hands of war contractors (including raw materials, goods in process and equipment).

5. Orderly control of the disposition of surpluses is a responsibility charged to the Surplus War Property Administration, an agency created by Executive Order, in February, 1944. SWPA is a policy organization, controlling the machinery:

a. By which the owning agencies — such as the Army, Navy, and other Government agencies report their surpluses to designated disposal agencies.

b. By which the disposal agencies may sell or otherwise dispose of war materials that are no longer needed.

Under SWPA regulations, Government agencies owning surplus war property must report it as follows:

Capital and producer's goods, and real estate, to the Reconstruction Finance Corporation; consumer goods to Treasury Procurement Division; food to War Food Administration, and ships and maritime property to the Maritime Commission and Navy Department. The Foreign Economic Administration was designated for disposal of surpluses in foreign countries. Lanham-financed commu-

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nity facilities located on Federal housing sites, and housing property are scheduled for disposition through the National Housing Agency, and community facilities financed by Lanham Act funds, other than those on housing sites, are reported to and disposed of by the Federal Works Agency.

Definitions

"Surplus," as used in this report, refers to materials that come or will come under the jurisdiction of SWPA. They range from huge plants manufacturing munitions to bandages and adhesive tape. They include real estate—eventually some 20,000,000 acres of land will be surplus—airfields, camp sites, motor trucks, clothing and medicines.

Not only do surpluses develop as a result of contract cancellations and over-abundances, from obsolescence and wear, but changing military requirements leave net surpluses of raw materials in operating plants. These, however, in the OWI report, for purposes of clarification and differentiation, are called "excesses." "Surpluses" and "excesses" will in the main, be discussed separately.

Size of the Surplus

Today's surpluses are but a mite compared to what the future holds as the war progresses. Although SWPA has definitely refrained from offering any estimates as to the total dollar volume of potential surplus war property, some estimates from independent sources have been made and run as high as $100,000,000,000. The Baruch-Hancock report made an estimate of $50,000,000,000, of which $15,000,000,000 will be in government-owned plants.

But not all these surpluses are expected to be absorbed in the domestic economy of the nation, according to SWPA. At least half the military surpluses at the war's end are expected to be in Europe and the Far East, and much of this will find disposition abroad. In fact, foreign markets are expected to absorb several billion dollars in American surpluses that will be located in this country.

When the war ends, there probably will be several million tons of food in Government stores (Commodity Credit Corporation, War Food Administration, Army and Navy), for example. But there may be 30,000,000 stranded people in Europe who will require relief and rehabilitation. The Foreign Economic Administration estimates that the food in reserve when peace comes actually may prove insufficient to meet foreign relief needs.

Some of the implements of wartime that will be in good condition when the war ends won't be up for sale. This will be true of some of the plants, of considerable ordnance, of merchant ships, and stockpiles of raw materials. How much will be retained cannot be estimated by SWPA, since post-war policies will depend on international agreement, future legislation and the size of the peacetime military organization.

WPB estimates of the plant to be held in a stand-by condition for future needs run to $5,000,000,000. Net additions to the merchant fleet have cost approximately $10,000,000,000, but disposal of Navy ships is controlled by statute. There also will be much equipment that will be useful only as scrap, according to SWPA.

All these must be subtracted from the giant figure representing overall "surpluses" at the end of the war, and will leave roughly $15,000,000,000 in surpluses for which sale will be sought in this country, SWPA is estimating today.

There is little reason to believe, SWPA says, that this quantity of surplus material will seriously disrupt the nation's economy. There will be dislocations in some communities, in some types of industry, and in some groups, but in the main, SWPA hopes, the absorption of surpluses will be quick and painless. SWPA's job is to control the marketing of these surpluses in a way to cause a minimum of disruption to normal trade as recommended in the Baruch-Hancock report. The expectations for disposal of these surpluses, a large part of which will be in finished goods, will be discussed in detail later in this report.

For purposes of this discussion, the estimates of $15,000,000,000 in surpluses to be sold domestically do not include food, military construction, plants that the government will maintain in a stand-by condition or convert for other government purposes, stockpiles to be retained, or the supplies (including ordnance) the Army and Navy will keep on

hand for maintenance of a peacetime military organization.

WPB, which holds the reins on industrial surpluses, has estimated that a market will be sought in this country for industrial facilities, accounting for $6,000,000,000 of the $15,000,000,000 total; war housing, $1,000,000,000; Army and Navy equipment, $4,000,000,000; government stockpiles, $1,000,000,000, and items in manufacturing inventories, $3,000,000,000.

Surpluses today are estimated to be heaviest in the shipping industry, with aircraft running second. Aircraft surpluses—including jigs, dies, machinery and materials that were required for models now being replaced—are estimated to be somewhere between $150,000,000, and $200,000,000, and growing larger. Medical supplies also are reported to account for big surpluses today.

Industrial Facilities

More than half the Government's expenditures on industrial expansion for war production has been on equipment rather than structures, according to WPB. Not all the structures have been new; $2,000,000,000 was expended on additions or improvements to existing facilities.

Approximately one-third of the expenditures, according to WPB, have been in plants making explosives and ammunition, some part of which will be in a stand-by condition; one-third has been for chemical, rubber, metals and machinery facilities; and the remainder for aircraft and shipping.

The Army and Navy may wish to retain much of their plant investment (approximately $5,000,000,000 in ordnance and shipping). Plants constructed by the Defense Plants Corporation, through which nearly half the governmental building expenditures have been made, are considered more readily adaptable to commercial use, but DPC says there is "no line" by which plants to be kept in a stand-by condition and those to be offered for sale can be separated today.

Government policy on the retention of plants in a stand-by condition for future use, or for conversion to other public use, will be determined later, probably by Congress. Among the proposals submitted to SWPA is a suggestion from the Secretary of Agriculture that certain government-owned plants be converted by the government to the production of solid fertilizers.

Anticipating numerous proposals concerning different types of plants, the SWPA administrator has asked government experts for advice on questions concerning the enlargement, improvement or conversion of plants at government expense, to adapt them to post-war use. "This question," he said, "would seem to fall under two heads:

"a. Where such improvements or conversions are carried out, in order to permit the sale of such plants to industry, and

"b. Where there is a probability, if not a certainty, that such plants after conversion may have to be operated by the government, or with government subsidies."

Location of some of the Government's plants may prove a stumbling block to disposal. Some areas with a high percentage of Government investment, SWPA is aware, because of their isolation provide a poor prospect for conversion after the war—and therefore, for sale to private interests. This is particularly true of explosives and shell loading plants. Unadaptability to civilian use, regardless of location, is a factor SWPA believes may hamper the sale of a number of other plants.

WPB has estimated that approximately $9,600,000,000 of the Government's more than $15,000,000,000 investment in industrial facilities can be put to peacetime use, but that the location, unadaptability, and other factors deterring sales will reduce the disposable plants to $6,000,000,000 of which half will require conversion for peacetime use. This will comprise a substantial addition to the nation's peacetime production capacity.

Disposal policies, aimed at the prevention of sales to speculators insofar as possible, provide for terms to encourage the participation of small business. Up to February 15, sales of surplus equipment averaged $3,000 per transaction, according to the Defense Plant Corporation.

Disposal of plants to war contractors and other legitimate groups is not expected to be an insuperable financial porblem, although a recent Securities and Exchange Commission

report states that not all companies will be in a favorable financial position. This group may include not only small business establishments, SWPA has been informed.

Contractors at the time hostilities in Europe cease may possess a net working capital of approximately $20,000,000,000 compared to $9,000,000,000 at the end of 1940. The report of SEC, released June 8, 1944, states that virtually all corporations for which data were available had increases in working capital since America's entry into war, "and generally will be able to finance internally a high level of post-war production. There are, of course, individual companies which are not in as favorable a position." On an average, the net working capital has increased 70 per cent from 1939 to 1943, according to SEC. Outlays for reconversion of plants, in addition to the purchase cost, will still leave manufacturers with large working capital, on the basis of current estimates.

Fourteen per cent of the nation's war plants cost between $25,000 and $100,000. More than half the war plants cost less than $1,000,000. SWPA, in planning for the disposal of such plants is integrating policies with over-all policies of the Office of War Mobilization, which will take into consideration the problems of refinancing of the industrial plants and re-employment.

Industrial surveys of all war plants which may become surplus are being made by the Reconstruction Finance Corporation. RFC reported to SWPA Administrator Clayton:

"We are making cost comparisons both in construction and operation between different plants in given fields and between different products that are competitive or potentially so. . . . We are undertaking studies of individual plants, such as the magnesium plant at Las Vegas, Nevada, and the steel plant at Geneva, Utah, to determine post-war possibilities. This includes methods of cutting operating costs (whether through operating economies, process change or further capital expenditures), of developing by-products, of improving products and processes, and of developing uses and new wartime products and increased wartime capacities.

"We are also authorizing current research, with respect to magnesium and with respect to alloying of magnesium and its fabrication. In cooperation with the War Production Board, we are arranging to send a representative each from WPB, DPC and Basic Magnesium, Inc., to England to obtain information not available here relative to magnesium fabrication.

"With respect to the steel plant at Geneva, we are going into pre-war, current and potential demand for steel products in the western area, and are continuing our endeavor to lower transportation costs in order that the plant might be adapted to products that it can market economically.

"In brief, we propose to take each plant in various fields, such as aluminum, magnesium, alcohol, etc., and determine what reduction in costs, what new or cheaper sources of raw material, power, etc., what new outlet for its product, what supplementary facilities, what improvements in transportation and its cost, etc., will be required to enable the plant to justify itself in the post-war market."

The RFC study is made on the basis of over-all industry and the position of government-owned plants in the industry, to determine "for the country at large and for particular regions" the pre-war and current capacities and production, present stockpiles, condition and types of private and Government facilities, financial position of present operators, and the availability of other operators.

The larger government-owned plants are being studied with a view to their adaptability to subdivision.

RFC proposes the organization of an Advisory Committee on Plant Utilization, to be composed of leading members of outstanding engineering and construction firms. The committee would furnish RFC with advice regarding post-war possibilities of various war plants.

Merchant Ships

Before the war only a small fraction of America's commerce was carried in government-owned ships. When peace comes the merchant fleet will be twice the size of Great Britain's, according to the Maritime Commission. Shipping tonnage produced in 1944 is at least five times as great as that produced in

1939. Yet despite the fleet size, it is not anticipated that this country will face a surplus immediately after war ends. Most of the ships of the Allied Nations will be kept busy for a year providing relief and rehabilitation. What to do with them later will depend on whether we revert to a pre-war policy, and if not, on national policy concerning the size of an American Merchant Marine.

Depreciation will reduce the value of the ships, based on cost, approximately 30 per cent, WPB has estimated.

Disposal of floating drydocks and Navy real estate today is subject to prior approval of the House and Senate Naval Affairs Committee. Public law 305, 78th Congress, controls the procedure under which vessels of less than 1,000 gross tons, including those acquired from private sources, may be turned back to their previous owners, or otherwise sold. Sale of other ships is prohibited under Public Law I, 78th Congress.

The Navy, on June 8, 1944, however, submitted to Congress a request for legislation authorizing transfer of vessels of 1,000 gross tons or less, to South America on a "partial reimbursement" basis. The proposed legislation would permit the transfer of excess patrol craft, mine craft and other small vessels and boats to South American countries for hemisphere defense.

Military Construction

As in the case of plants and the merchant fleet, the size of a military establishment maintained in this country after the war will affect the amount of surplus military construction available for disposal.

The government has spent about $10,000,000,000 on military construction, including camps, airfields and warehouses, according to WPB, which has estimated that the return on the surplus may be "pennies on the dollar" and may not exceed $1,000,000,000.

Very little military construction will be feasible for post-war use. Some airfields may be abandoned, but the Civil Aeronautics Board expects that many of them will be leased or sold to states or cities, and that commercial airlines may purchase others.

War Housing

More than half the homes built by the government for war workers are temporary structures, and under terms of the Lanham Act must be torn down within two years after the war, to prevent growth of future slums and blighted areas.

Permanent structures under control of the National Housing Agency cost less than $1,000,000,000, and will be made available publicly. The Lanham Act stipulates that when the emergency has passed these should be disposed of as expeditiously as possible, and at a fair market price. Looking toward that end, a committee within NHA today is making a study of "how and when" of disposal, and of the values to be taken into consideration in establishing a price policy.

NHA has acquired 55,000 acres of real estate for its developments. Permanent structures are on approximately one-fourth of this, leaving about 4,000 acres that will eventually become surplus.

The Federal Works Agency will be responsible for disposing of schools, hospitals, sewers, health centers, fire stations, power plants, garbage disposal plants and other community facilities built as Federal projects. Through April 30, 1944, FHA had expended $177,000,000 in Lanham Act funds on such projects. This does not include community facilities and other local government entities.

The law requires that disposition of this FWA property must be made within six months after the passing of the "emergency." To ease their eventual problem FWA is making disposition now, and nearly every week at least one city in the country is taking title to some federally-built FWA property in its area.

Finished Goods

These range from planes and tanks to Scotch tape and hairpins, and are mostly in the hands of the military authorities.

Military stocks left at the end of the war are considered by WPB to be the hardest type of surplus to estimate in advance as to size and dollar value. Allowances must be made for an accelerated rate of consumption prior to the European phase of the war and

for the military policy of stabilizing supplies at a minimum of six months' reserves.

Surpluses in the post exchanges, cooperatively-owned by military personnel, could be liquidated in three weeks it has been said. But airplanes, on the other hand, may pose one of the giant disposal problems for the government after the war, according to SWPA.

Post exchange stocks, while not government-owned, are subject to certain military control. The Army's procedure for liquidating these stocks was outlined in Circular No. 57, dated February 8, 1944, which provides for gradual decrease in inventories if the troops at a given point are reduced; provision is also made for gradual transfer of excess stores to other exchanges, and for final liquidation and sale of remaining stock to the public in conformity with priority and rationing regulations.

The Navy's regulations are somewhat similar. The volume of business in the Navy Ship's Service Stores, operated under jurisdiction of the Bureau of Naval Personnel, is $300,000,000 annually.

Aircraft will constitute a vast surplus even before the war is over, but a report made by the Harvard School of Business Administration for the Army Air Forces suggests that there may be fewer surplus transport planes than generally supposed. However, a heavy surplus of C-46 and C-47 types, cargo planes, is anticipated. There are already surpluses in training planes. Many of the tactical planes are built for such high speed that they will not be economical or comfortable for civilian use after the war.

The Harvard report says many smaller planes should be scrapped. Obsolete planes and other finished goods, which at their prime were useful only for military purposes, are still of value when dismantled and scrapped. From such military items, SWPA says, will come copper, aluminum, steel and other scrap in abundance.

In addition to these items, however, the military stocks include materials and equipment that can be adapted to civilian or industrial use.

Railroad equipment, construction and communications equipment, SWPA anticipates, should find a ready market. So should shoes, petroleum products and many consumer items. As to these, Mr. Clayton in a letter to Elmer Davis, Director, Office of War Information, said:

"We would like to have it understood that while very large quantities of materials will undoubtedly become surplus upon the termination of the first phase of the war, it does not follow that large surpluses of the particular consumer goods of which the public has most felt the lack will immediately be available; or, in other words, that surplus stocks of consumer goods can be counted on immediately to meet all civilian requirements. Really large surpluses will often not exist in just those particular items for which the public is most hungry. Concretely, for instance, the ending of the war with Germany will not mean that there will then immediately be available from surplus enough of such items as refrigerators, washing machines and automobiles to relieve the shortage."

In selling finished goods that become surplus, the government will not become a retailer. In Mr. Clayton's words, "It will seldom be possible for the Government to act as a retailer; for the most part, surpluses will have to be sold through ordinary channels of distribution."

Although there may appear to be a superabundance of some items, regulations may prohibit their being declared as "surplus." No jeeps, for instance, will be for sale at any time in the near future. On June 12, the Office of the Chief of Ordnance, War Department, issued instructions that no more jeeps are to be declared surplus and that wrecked or unserviceable jeeps are to be cannibalized to obtain parts to be used for the repair of other jeeps. At the time the instructions were issued, 69 jeeps, already declared surplus, were in the hands of the Procurement Division for disposal. These were withdrawn and are again on Army inventory.

When the war ends, depleted business inventories will need replenishing far beyond the point possible out of government surplus stocks of finished goods, WPB has estimated. The entire surplus in finished goods suitable for the domestic market will be less than the equivalent of two months' prewar retail sales, as recorded by the Department of Commerce.

Government Stockpiles

Government stockpiles at the end of the war will include almost every raw material known to war. At present there are stockpiles of approximately 100 basic items such as tin and manganese, industrial diamonds, mica, quinine and kapok.

Foreign wool has been added to domestic stores. Strategic materials that cannot be imported today have been stockpiled. In addition necessary reserves of numerous American-produced metals are included in the Government stockpiles of raw materials.

Much of the stockpile is of raw materials acquired at the start of the war program after WPB "froze" many materials for which heavy needs were expected to develop. Since then the composition of the stockpiles has been altered to conform to the changing requirements of warfare. In the case of belladonna leaves, iodine, cobalt, and zirconium, for example, the maximum amounts required have been obtained. Premium payments were authorized early in the war program to facilitate stockpiling of some scarce items. But premium purchase of tungsten and mercury, for instance, has stopped. Restrictions on the use of glycerine have been removed; and restrictions on the use of aluminum have been relaxed.

It is expected that, aside from redistribution during the war, stockpiles may be released gradually to safeguard the market, protect prices, and assure a sufficient stand-by in case of emergency before the conclusion of the war. This is WPB policy. In addition, the Combined Raw Materials Board has urged continued caution against too rapid depletion of stocks of raw material. In its second annual report, this board briefly discussed the surpluses now arising. In the important field of metals, the report stated, the over-all supply situation for the United Nations was generally easier at the end of 1943 than at any time during the two years of the Board's existence. It suggested ways for controlling surpluses to the extent that they can be detected, and warned that "the availability of adequate quantities of a necessary raw material does not of itself permit general relaxation. . . . Moreover at this stage, early 1944, the degree of surplus itself cannot be forecast with complete certainty, and initial care is necessary to ensure that the sudden cessation of high cost or remote marginal production of a commodity together with the easing of consumption margins do not result in further deficits later on."

By pre-war standards some stockpiles may appear unwieldy, but the consensus appears to be that disposal problems will be minute in the post-war world as compared to the problem of utilizing the nation's new production capacity.

Postwar Reserves

Some of the raw materials likely to be held in reserve, according to WPB, include industrial diamonds, tin, sapphires, mica, and some ferro alloys.

In 1939 this country had stockpiled 67,000 pounds of quartz crystals. Today the Government owns 950,000 pounds. But post-war electronics bid fair, WPB believes, to find a usefulness for such quantities in short order. The post-war outlook for Government stocks of such assorted items as jute and burlap, used silk hosiery and ethyl alcohol, is equally promising.

Manufacturers' Inventories

Inventories of munitions' manufacturers today are held to about $10,000,000,000, because of the tight controls exercised by WPB. These inventories include raw materials, goods in process and finished goods.

It has been estimated by industry and reported to WPB that not more than 30 per cent of the inventories on hand at the end of the war will serve a civilian purpose.

As contracts are cancelled or cutback, inventories that cannot be sold or taken over by the contractors toward settlement of their claims against the Government, become surplus.

An example of surpluses left over from one contract termination being adapted by new war production is a tank program closed down in Detroit. Military strategy demanded a newer weapon, the manufacture of which required the skilled manpower employed on the tank program. When workers moved to the new plant making the desired weapons, SWPA said, $4,000,000 worth of machine

TABLE I

Material	*First Quarter 1944*	*Fourth Quarter 1943*	*Third Quarter 1943*
Carbon Steel	2,755,696 Tons	2,619,831 Tons	2,438,717 Tons
Alloy Steel	380,391 Tons	396,342 Tons	413,330 Tons
Copper and Copper Base	142,431,251 Pounds	197,081,528 Pounds	201,853,625 Pounds
Aluminum	152,717,802 Pounds	176,378,696 Pounds	187,633,733 Pounds

tools were moved also—being adapted with no delay to the new program.

Four-fifths of the inventories reported by war industries last fall were in raw materials and goods in process, and have been steadily, though slowly declining, according to WPB records.

Not only do surpluses develop as a result of contract cancellations, but changing requirements leave net "excesses" in the inventory of operating plants. These, however, are quickly detected through mandatory reporting of the use and inventories of critical materials to WPB.

War manufacturers have reported to WPB that their "excesses" of steel—not counting obsolete materials on hand—have been increasing for the past three quarters. Copper and copper base "excesses" and aluminum "excesses" have shown considerable reductions, however.

Table I (see above) shows the "excesses" reported for the last two quarters of 1943 and the first quarter of 1944:

Recovery of Excesses

In the early months of the war program, paradoxes were discovered: excesses existed side by side with shortages. When manufacturers were unable to get copper valves, for instance, a questionnaire sent by WPB to 9,000 possible owners of copper valves uncovered twice as many as were then needed.

The control of such excesses is vested in WPB and materials which are redistributed within operating plants are not under the jurisdiction of SWPA. They are "excesses" now—but will be classed as "surpluses" in case of contract terminations and their return to Government ownership.

Sales of these "excesses" made through WPB referral—total approximately $7,000,000 weekly.

Sales of excess steel, according to WPB, have been at the rate of about 50,000 tons in a two-week period, and from April 1, to April 15, totaled 60,000 tons, selling at an average of $60 per ton. Yet the pile on the books has remained constant at about 300,000 tons, and the "idle" carbon steel in plants today is reported to be in excess of 2,000,000 tons.

Table II (see below) shows the amount of idle and excess materials moved through WPB recovery programs. These represent only a part of the idle inventories of materials moved through Government efforts. Quantities of materials reported to and moved under programs operated by other government agencies, such as the Aircraft Scheduling Unit, Army and Navy Redistribution Programs, etc., are not covered by these figures, nor do they include any items resulting from contract terminations.

TABLE II
WPB REDISTRIBUTION DIVISION

ACCUMULATED FIGURES OF MATERIAL DISPOSED OF UNDER FORMAL RECOVERY PROGRAMS AS OF MAY 16, 1944

Programs	*Amount Disposed of*
RECOVERY PROGRAMS IN OPERATION	
Kapok	[1]
Steel Valves	56,384 valves
Brass and Bronze Valves	203,700 valves
RECOVERY PROGRAMS COMPLETED	
Aluminum	40,910,202 lbs.
Britannia Metal	567,788 lbs.
Cadmium	475,538 lbs.
Foreign Silver	548,879 ozs.
Iridium	5,313 ozs.
Magnesium	289,433 lbs.
Manila Cordage	7,024,395 lbs.
Nickel Anodes	5,384,941 lbs.
Nickel Salts	786,216 lbs.
Steel—(All Programs)[2]	649,005 tons(net)
Tin Anodes	597,793 lbs.
Tin Oxides	1,140,199 lbs.
White Metals	1,687,397 lbs.
General Typewriter (voluntary)	291,870
Dealer-Mfg. Typewriter	17,515[3]
COPPER PROGRAMS[4]	
Copper—843[5]	238,748,000 lbs.
Copper Wire and Cable	2,936,000 lbs. 59,985,000 ft. 79,000 pcs.
Copper Building Materials	767,000 lbs.
Copper Fittings Program (for use as is)	4,110,000 pcs.
Copper Fittings Program (for remelt)	2,107,000 lbs.
Copper Water Tubing	1,904,000 lbs.
Copper Screening	32,632,000 sq. ft.
Copper Print Rolls	9,866,000 lbs.

[1]Disposition figures are not available.

[2]Inventory records of Steel Recovery Corporation have been transferred to Regional Offices for continuation of redistribution activities.

[3]Referred to Treasury Procurement for further processing; includes only typewriters offered for sale.

[4]These figures are subject to change pending contract settlements.

[5]Includes Army, Navy, Maritime and Transportation Programs.

NOTE: These figures include only programs directed by the Redistribution Division.

Up to Now

More than $400,000,000 in surplus property (not counting "excesses" in industry as reported to WPB) has been disposed of under the war program.

The President, on June 13, transmitted to the Senate Committee on Military Affairs a report stating that "excess property" valued at $260,000,000 was disposed of by the War Department in the period from July 1, 1943, to March 31, 1944. Of this $99,000,000 was "excess" property that was redistributed within the War Department.

The remainder was declared "surplus" and was disposed of as follows: $39,000,000 through other government agencies; $62,000,000 representing sales of industrial property; $60,000,000 representing sales of salvage material.

"With respect to real estate," the President wrote, "four industrial facilities costing over $95,000,000 have been declared surplus under regulations of the Surplus War Property Administration, plant-protection land costing approximately $15,000,000 has been leased for agricultural purposes, and 14 command and four industrial installations have been or are being transferred to the Navy Department.

The Navy Department, the President reported, in the fiscal year, 1943, disposed of $35,000,000 in "surplus" property, and the Maritime Commission from January 1 to May 31, 1944, disposed of nearly $19,000,000 of surplus materials, of which $15,000,000 represented "excesses" that were transferred to other contracts; $2,000,000 was transferred to other Government agencies, and $2,000,000 was sold. Surplus property available for disposal at the end of the period amounted to over $5,000,000. In addition, the President said, $11,000,000 in Maritime Commission property is now being "screened" to determine if it is excess.

During the first five months of 1944, RFC disposed of more than $52,000,000 in surplus property. It still has approximately $90,000,000 that is surplus. Most of this surplus property is owned by its subsidiaries and includes little capital and producers' property reported to it by other owning agencies. RFC's sales included: $3,242,000, airplanes; $43,549,000, machine tools and production equipment; $4,817,000, construction and operating materials; $506,000, construction equipment; $161,000, miscellaneous real estate and incomplete plants; $424,000, mining equipment and supplies; $5,000 miscellaneous.

Procurement Division disposed of $53,733,809 in surplus property during the first five months of 1944, and still had $30,221,887 for disposal. FEA in the same period disposed of $6,469,979, of which $1,666,202 was disposed of abroad. As of May 31, 1944, 90 per cent of its surplus property, representing $19,020,745 was abroad. FEA surpluses in this country on May 31, amounted to $1,836,233.

Some surpluses, occurring because of obsolescence or changes in military requirements, mirror the technological advances America has made. With mechanization of the Army, for instance, usefulness of the horse and mule has been reduced. Seventeen thousand horses have been declared surplus by the Army and were sold by Procurement Division at auctions throughout the country this year. Three-fourths of them were purchased by farmers from the dealers who bid them in at the sales. About 600 to 700 mules also have been auctioned because they no longer serve an Army need.

Another example of obsolescence occurred with the conclusion of the African campaign. Motorcycles of a special design suitable for operation in desert sand were too slow to be employed in other theatres. As a result, approximately 4,500 were declared surplus by the Army and later were disposed of through the Procurement Division to dealers.

Changes in military requirements have resulted in surpluses of wool. At auctions in Boston, the country's wool market, more than 100,000,000 pounds of wool controlled by Defense Supplies Corporation have been sold this year.

Three hundred thousand pairs of Army shoes, not suitable for combat conditions in certain theatres, also were released this year to dealers through the Procurement.

Surplus aircraft and aircraft property has moved at the rate of not less than $5,000,000 a week for the past four months, SWPA reported, yet there is no evidence of a shrinkage —due to the obsolescence of some planes, to the rapidity with which American manufacturers are able to adapt to the military's demand for newer, faster, more efficient types of combat planes and to the closing of some flight schools.

The $5,000,000 surpluses disposed of weekly, however, include not only planes but aluminum and parts, molds and machinery used in plants that are adapting to newer models. Sales of about 250 trainer planes per week have been recorded, at prices averaging $1,000 per plane.

The sale of surplus planes is expected to increase in the near future. RFC at present is engaged in taking custody of 4,870 surplus planes and 767 gliders from the Army. This is in addition to more than 6,000 planes previously marked "surplus." These will be stored, pending disposition, on 36 airfields over the country.

The SWPA Administrator anticipates that the next few months will be the best months for disposal for most types of surplus war property and that sales of surpluses outside the Government will increase after requirements for coming military operations are established.

He said recently, "During the war, the markets are hungry for most kinds of goods, and prompt disposal should not be difficult. The avalanche of surpluses will come with peace."

How Surpluses Are Controlled and Sold

The Army, Navy, Maritime Commission, War Food Administration and subsidiaries of the Reconstruction Finance Corporation, particularly Defense Plants Corporation, are agencies that own most of the property that is or may become surplus. All are setting up machinery to implement the disposal program laid down by SWPA in Regulation No. 1 issued May 5, 1944. For instance,

1. RFC is making the surveys of war plants already referred to, is studying proposals on the disposal of capital and producer's goods, and is expected to announce its program shortly. This will include a pricing formula.

2. An interim program on aircraft disposal is under study by the Civil Aeronautics Board.

3. FEA is now considering proposals made by a committee of business men familiar with foreign markets.

4. The Army and Navy have revised their regulations on the control of surpluses.

5. WPB, on May 1, amended Priorities Regulation No. 13 to set up rules by which manufacturers using controlled materials may dispose of any that is "frozen, idle or excess."

The Army, in directives issued in January and March of this year, revised procedures for turning up surpluses, and the Navy has issued three basic war-time documents on property disposal. In the past the Army and Navy circularized other Government agencies before disposing of surpluses. Each agency may still transfer within the military organization any equipment excess to its needs, but under SWPA Regulation No. 1 other Government agencies will be canvassed by disposal agencies.

Military procedures, while designed to detect surpluses promptly, give the services broad leeway in determining their needs. An Army Service Forces circular, for instance, provides that a continuous scheduled review of requirements will be put into effect, and all items of "major importance" will be reviewed at least quarterly. Items that are of small importance, or are in a dormant state of supply and demand, may be examined at such longer intervals as the chief of the Military Supply Services concerned regards as adequate.

One paragraph in the Circular reads: "While it is the purpose of procurement planning and inventory control to avoid the creation of excess stocks, such excesses now exist in some items, and, depending on changes in requirements and other factors, additional excesses may be unavoidable. When excess quantities are substantial and are beyond needs in the War Department for a reasonable period of time in the future, they should be redistributed, transferred to the War Reserve, or finally disposed of."

Army procedures state, in addition, that "every effort will be made to control procurement through revisions in the rate of production and an extension of schedules rather than cancellations, although the latter will be undertaken courageously if necessary to prohibit the accumulation of excesses."

SWPA expects to make great headway in disposing of Army surpluses arising at the end of the European phase of the war during the period the Pacific war continues, thus lessening the impact of surpluses at the final end of the war.

The mechanics of reporting surpluses will be decentralized and disposal will be made through regional offices of the disposal agencies. RFC has 22 offices, Treasury Procurement 11, WFA 5. The Maritime Commission will, for the present, function through its Washington office.

The WPB's Redistribution Division will continue to assist in within-industry disposals, working through its 13 regional offices.

Within SWPA there have been established seven divisions, each to deal with specific disposal problems: Aviation, Communications, Foreign Surpluses, Machine Tools, Real Property, Scrap, and Future Surpluses. Other divisions will be formed. The Division on Future Surpluses will plan and organize the sale of surpluses to domestic government entities, such as states, counties, municipalities, and tax-supported institutions. The Division on Foreign Surpluses will work in close cooperation with the Department of State and FEA in disposing of surpluses through the United Nations Relief and Rehabilitation Administration, foreign governments and other buyers abroad.

Policies on Disposal

Sales of Government surpluses will be made through the use of sealed bids, auctions and negotiated sales. The method employed in any case will be governed by the type of property to be sold.

Sales will not be made without an adequate test of the market to determine fair prices. SWPA believes that it will not be difficult to apply this principle in the case of standard consumer goods and raw materials listed or traded on the commodity exchanges. It may, however, be more difficult to determine fair prices for specialty items or the components of military products that are classified as nonstandard.

The Baruch-Hancock report emphasized the importance of making surpluses available in small buying lots so all business men may have an opportunity to purchase their requirements. This procedure has been endorsed by SWPA, and the disposal agencies will apply this principle wherever practicable.

As an example of how this is being done today, the Treasury Procurement Division is selling trucks in units of one, and refrigerators in units of five. This enables small businesses to fill their needs.

Neither timing of sales nor the rate and volume of sales can be disassociated from a price policy, explains SWPA. A study of pricing policies has been made by a sub-committee of the SWPA policy board, and the Administrator recently released a statement of policy to serve as a guide for contractors and contracting officers in disposing of property left over from termination of war contracts.

This policy defines and establishes: (1) the authority to sell at the best price obtainable on small quantities that will permit small business to participate: the privilege to sell to any buyer at not less than 75 percent of the cost, or market price: (2) the opportunity for any contractor or manufacturer using the material in production to buy at the best price obtainable in the market.

The fundamental aims in this formula stress:

1. The importance of quick clearance of plants for resumption of war production of allowable civilian production.

2. Need for prompt settlement of claims in terminated contracts in order that plants may go back to peacetime production promptly at the conclusion of the war.

3. The advisability of making available at

this time material and equipment than can be directed into other necessary war production, thereby releasing needed labor for essential war purposes.

4. The desirability of directing available surpluses, for which there is a ready demand, into current production to prevent their accumulating and flooding the market later.

A price of 75 per cent of cost, or market, has been set as a conservative figure designed to discourage non-users—speculators and promoters. The SWPA Administrator has prescribed the policy of selling through regular trade channels. As an example of the use of normal channels, 10,000 motor trucks are now being sold through automobile dealers.

Many of the machine tools that will be declared surplus, SWPA hopes, will find a ready market in factories and machine shops that are now working with equipment 10 to 30 years old. Machine tools recovered from war surpluses to a considerable extent will make up deficiencies in plant equipment, even though it will be necessary to adapt numbers of them to new uses.

Two themes have recurred in discussions of policy in handling surplus property. In the Baruch-Hancock report, in pending bills, and in statements made to and by members of Congress, reference is made to the need for avoidance of sales to speculators, and the need for selling through established channels of trade. In commenting on these two policies, Mr. Clayton wrote members of the SWPA Advisory Board: "Depending on the meaning attributed to the words, an effort to adhere to these policies could result in variations as extreme as giving distributor and manufacturer trade associations a stranglehold on surplus distribution, or, on the other extreme, merely taking elementary precautions by way of price policies to prevent purchases which would result in excessive profits on resale. The Attorney General pointed out in testimony, for instance, that these policies could be construed to prevent new concerns from legitimate entry into any of the distribution trades."

Continuous counsel of the board in avoiding such discriminations has been requested by the Administrator.

Advisory Board Functions

In carrying out his responsibilities, the Administrator has the benefit of an advisory policy board made up of the heads of the War, Navy and Treasury Departments, Reconstruction Finance Corporation, Maritime Commission, WPB, Bureau of the Budget, War Food Administration, Attorney General, Federal Works Agency, Foreign Economic Administration, State Department, Smaller War Plants Corporation and Civil Aeronautics Board.

The board, in conformity with recommendations laid down in the Baruch-Hancock report, has 14 major functions, exercised through the administrator: to lay down policies for disposal; to press for early disposal; to develop redistribution; explore critical civilian needs and enlist support of the military services in declaring as surplus those items that can be safely released; to encourage agencies to report surpluses promptly; to develop a "stand-by" program of plants and equipment for future security; to arrange for inter-agency transfers of property; to coordinate surpluses and purchases; to devise effective methods of inventory controls; to develop possibilities for disposal in foreign countries; to determine how surplus property can be reprocessed and completed before disposition, and to develop a continuing policy for stockpiling.

In addition, the disposal agencies will be assisted by the industry advisory committees of WPB. There are at present approximately 700 of these committees. Through an arrangement between SWPA and WPB it is planned to make use of these representative groups of industry in working out detailed plans for the disposal of property that is of interest to each of the industries represented by the various committe. In some instances the advisory committees are more representative of production than distribution, but WPB plans to augment the personnel where necessary.

Foreign Surpluses

The Advisory Committee on foreign surpluses has recommended to FEA that sale of surplus property abroad should be regulated to support the American foreign policy, the interests of American business, and with consideration as to the effect on future export markets. The Government, said the committee, should avoid selling surpluses abroad in small lots, but should provide for credit on producers' goods.

The job of surplus disposal, the committee said, is "potentially the greatest responsibility of the Administrator of the Foreign Economic Administration."

FEA believes property will be declared surplus in many countries throughout the world and often in inaccessible parts of those countries. The Advisory Committee report stated that "large quantities of surplus are to be expected in England and many northwest European countries from France to Norway. Surpluses will also be declared in many Mediterranean countries, in India and Burma, in the South Pacific islands, in the East Indies, in parts of South America and many other places.

"At the present time it is believed that it will be necessary to organize 10 to 15 major disposal areas or zones throughout the world. These areas would be made up of the most logical groupings in which surplus government property is likely to exist at the end of the war. The number of locations within each of these areas at which properties will be stored at that time is unknown, but the number will undoubtedly be very large."

Surpluses arising overseas out of foreign procurement will be mostly of raw materials, and not large. The committee assumes that surpluses arising in this country and sold abroad will be handled "in accordance with the gold fish bowl policy stated in the Baruch-Hancock report."

Industrial, commercial and transportation equipment should be saleable abroad with least damage to future exports, but credit for such property should be dependent on national policy, the committee advised.

The group also recommended that FEA and the State Department proceed in collaboration with United Nations Relief and Rehabilitation Administration and foreign governments to estimate the capacity of the liberated areas to utilize surplus property. The State Department has suggested it may be desirable to use consumer articles, such as food, clothing and medical supplies that are located abroad for relief purposes.

The greatest needs in European countries, it is currently estimated, will be for food, fertilizer, farm equipment, transport equipment, manufacturing tools, medicines, soap and clothing. FEA already has procured large quantities of used clothing in this country, and Italian prisoners of war in American camps have been engaged by the Procurement Division in repairing 80,000,000 pounds of used military clothing, much of which will go later to distressed peoples of Europe.

China has estimated through United Nations Relief and Rehabilitation Administration that its relief needs following the war will total nearly $500,000,000.

The Secretary of State informed the Senate June 1, that "it would seem desirable to avoid the extensive unloading of materials in foreign countries at excessively low prices." This might result, it was stated, not only in the imposition of tariff barriers "to the detriment of our export trade, but also the demoralization of foreign markets through flooding them with surplus goods."

Aircraft, ships, telecommunications equipment and weapons will have to be dealt with on a "special basis," Mr. Hull said. "For example," he wrote, "the disposition of transport planes located abroad should be in line with whatever international arrangements are made with regard to air transportation."

For the present, excess aircraft in overseas theatres will be returned to this country if it is suitable for further military use. Excess aircraft will be designated for return by a committee made up of an Army Air Forces engineer, and three other qualified Army members. Planes that would require considerable repair for the flight home would be certified to FEA.

The military commanders in active theatres of war have full authority for disposal of surpluses arising in their fields of operation. In inactive areas outside the United States and its possessions, FEA arranges for the orderly disposal of surplus American property. The Government agency owning surplus property outside the United States may sell it where FEA has no local representative.

Until now there has been little surplus

property in any of the foreign areas. Until the war has advanced to further stages it is not known to what extent military property, other than planes, may be returned to the United States.

Policy of Scrapping

Planes, tanks and manufacturing equipment costing vast sums will be among the items the Government may scrap rather than save for doubtful use.

The Baruch-Hancock report recommended that material which could not be used advantageously should be scrapped but that there should be no deliberate destruction of useful property.

The scrapping of dies, jigs and fixtures at the time of contract termination has already presented a disposal problem. These items represent a large investment in plants producing military items. The investment in dies, jigs and fixtures used in the manufacture of a tank, for instance, amounts to several million dollars. Yet, this equipment is so specialized that it is not readily adaptable to peacetime use and therefore is valuable only as scrap—or to be held in reserve by the Government for a future need. In general such equipment will be scrapped to avoid cluttering up needed warehouse space.

Owning agencies, such as the Army, Navy and Maritime Commission, have been requested to submit their proposals on scrapping—where the investment involved is $50,000 or more—to a local reviewing authority composed of technical and manufacturing experts. It has been recommended that the disposal agencies work closely with procuring agencies on the scrapping problem by making local or regional consultants available.

Storage of Surpluses

The critical problem of storage will become increasingly acute as the volume of war surpluses increases, Mr. Clayton has said.

With warehouses bulging today with war products, the problem of housing surpluses when they arise in multiplied quantities could become one of the major difficulties of the transition program, SWPA believes.

Chemical coatings, now used in some theaters to protect costly implements of warfare, are an emergency expedient and can be relied upon to only a limited extent to keep planes and tanks from rusting and deteriorating from exposure to the weather once they become surplus, the War Department said.

Following the last war, quantities of ham spoiled, durable goods rusted and some surpluses deteriorated at a faster rate than continued use would have occasioned—due to negligence in providing proper storage.

SWPA has laid plans to offset this and on June 1, 1944, set up a Space Control Committee to allocate necessary storage space for all government agencies having unstored surpluses on hand or anticipated.

The activities of the committee are intended to eliminate wasteful competition and unnecessary use of transportation facilities. More efficient utilization of storage facilities also may eliminate the necessity of constructing considerable new storage space.

Available storage space will be checked weekly, and the allocation of space for surplus materials will be made on a regional basis. In determining priority for the allocation of space, the committee will in general give precedence as follows:

1. Live issue distribution where the need is urgent.
2. Storage of war reserves and of vital excess material.
3. Storage of surplus material.

Disposal of surpluses while the war is on, in contrast to the experience of the last war, will lessen the potential storage problem to some degree, SWPA stated.

Special Problems

Legislation will be required in establishing national policies to cover special problems relating to disposal of surpluses. Congress now is considering legislation to make SWPA a statutory body, and in May 42 bills relating to some phase of reconversion and surpluses were pending.

The Attorney General reported there are already about 150 statutes relating to surplus disposals, but proposed legislation may supersede some of these. The Attorney General has said that legislation should be provided to govern the sale of real estate, especially the estimated 3,000,000 acres of farm land. Additional legislation will be imperative, SWPA believes, to define policy on the maintenance of plants, especially chemical and synthetic rubber, in a stand-by condition on the disposal of plants constructed by Defense Plant Corporation and leased to war contractors, and on priority in the purchase of surpluses.

SWPA has already heard a "number of claimants for priority treatment"—for example, States, municipalities and other tax-supported entities; eleemosynary institutions, war veterans, small business, and original owners of land taken over by the Government.

Anything in the way of price preference, SWPA said, would have to be the subject of special legislation, but considerable discussion has been given to the question of "time priorities—whether any claimants will be given a period during which they shall have the exclusive right to purchase surpluses before they are offered to the public."

The Lesson of Past Experience

In contrast to the American experience at the close of the last war, when the entire war machine became surplus almost overnight, surpluses today are developing gradually.

There was no advance planning for the disposal of surpluses at the end of the last war. On November 11, in fact, industry was almost totally unprepared for contract cancellations, which came almost immediately, although in many cases the requested "suspensions" were delayed for 30 days. Confusion is a mild term for the situation that resulted. Contractors stormed the commodity section of the War Industries Board for aid. Business groups placed identical orders with several firms in the hope of getting one delivery. Transportation facilities jammed. Prices soared. Strikes tied up plants. Meanwhile, surpluses massed higher and higher. It was not until May, 1919—six months later—that legislation was passed authorizing the President to dispose of surplus material.

Conclusion

SWPA does not contemplate that disposal of marketable surpluses will precipitate anything like the chaos experienced in the early months of 1919, because: 1. Plans are in a more advanced stage today than at the close of the last war; 2. Contracts are cancelled gradually as military requirements decrease; 3. And the war may be terminated in two phases.

This does not mean that there will always be smooth sailing. Markets may be overburdened in some items; but controlled sales are expected to minimize the danger of "glutting."

Some areas of the country, too, may find the going hard. Some of our biggest war plants, as an example, are located in fairly isolated communities, which have mushroomed. Such plants in many instances will be unsuited, at least in part, for civilian production.

Although the problem of the disposal of war surpluses is not a new experience in American economy, the disposal of war plants is something this country has not engaged in previously. Most of the plant for the last war's production, in contrast to the situation today, was financed by private capitals.

Aside from the disposition of ships, the ultimate fate of aircraft is one of the major disposal problems facing SWPA. Handling of excesses left over from terminated contracts, plus the disposal of obsolescent items are also problems of major importance. The prevention of monopolies through the sale of large blocks of surplus to a single bidder, and the danger of extreme speculation are other difficulties of which SWPA is already aware and against which it is planning today.

II: THE BASIC PROCEDURES

The complete text of Surplus War Property Administration Regulation No. 1 and Exhibit I

SCOPE OF REGULATION

This first regulation is designed primarily to advise Federal agencies which possess or control property which is in excess of their needs as to the forms and procedures to be followed in declaring such property surplus and as to the relative duties and responsibilities of such agencies and of the disposal agencies with respect to property so declared surplus. It does not deal in detail with the methods and policies to be followed by the disposal agencies, either in redistributing the property to other Federal agencies or in disposing of it elsewhere, nor with the financial and accounting responsibilities of the disposal agencies.

This regulation by its terms is applicable to all Federal agencies and to all property possessed or controlled by them which they determine to be surplus. However, because of the urgency and magnitude of the problems involved in the disposition of surplus war property of the War and Navy Departments and the Maritime Commission, including termination inventories, this regulation is primarily directed at these problems and is being made effective at this time because of the urgent need for action with respect thereto. This regulation is therefore being made effective at the present time with respect only to surplus war property of the War and Navy Departments and of the Maritime Commission.

Other owning agencies will continue practices heretofore existing under Executive Order No. 9235 with respect to the declaration and disposition of surplus property, until such time as this regulation shall be made effective with respect to them. Because of the large number of agencies and the wide variety of types of property involved, the Surplus War Property Administration may vary or supplement this regulation in making it effective in the future with respect to surplus war property of agencies other than the War and Navy Departments and the Maritime Commission.

This regulation shall become effective with respect to surplus war property of the War and Navy Departments and of the United States Maritime Commission on May 15, 1944.

DEFINITIONS

As used in regulations of the Surplus War Property Administration, unless otherwise therein stated,

(*a*) "Agency" means any executive department, independent establishment, agency, commission, board, bureau, division, administration, office, service, independent regulatory commission or board of the Federal Government, and any corporation owned or controlled by the Federal Government.

(*b*) "Surplus war property" means any property, real or personal, including but not limited to plants, facilities, equipment, machines, accessories, parts, assemblies, products, commodities, materials, and supplies in the possession of or controlled by any agency, whether new or used, in use or in storage, which are in excess of the needs of such agency or are not required for the performance of the duties and functions of such agency and which are determined, subject to the authority of the Office of War Mobilization, to be surplus by such agency.

(*c*) "Owning agency" means the agency having possession or control of surplus war property at the time when it is determined to be surplus by such agency.

(*d*) "Disposal agency" means the agency to which, by this regulation or by other action of the Surplus War Property Administration, surplus war property of a specified class is assigned for disposition.

(*e*) "Administration" means the Surplus War Property Administration established by Executive Order No. 9425 dated February 19, 1944.

(*f*) "Continental United States, its territories and possessions" shall include Alaska, Hawaii, Puerto Rico, the Philippine Islands, the Virgin Islands and the Panama Canal Zone.

I. DESIGNATION OF DISPOSAL AGENCIES

A. Procurement Division, Treasury Department. There is hereby assigned to the Procurement Division of the Treasury Department for disposition all surplus war property of the classes set forth under its name in Exhibit I to this regulation. Such classes of property are herein called consumer goods and are the only classes of property which the Administration deems it feasible to assign.

B. Reconstruction Finance Corporation. There is hereby assigned to the Reconstruction Finance Corporation for disposition all surplus war property of the following classes:

(1) All industrial real property of every character other than that disposed of under part IC, IE or IF hereof, including buildings and fixtures.

(2) Such personal property, including machinery and other equipment, materials, and products finished or in process as are reported as surplus to Reconstruction Finance Corporation by the owning agency as an integral whole in conjunction with the plant or other real property where they are located, and as should in the judgment of Reconstruction Finance Corporation be disposed of as a unit. If not so disposed of, such personal property is hereby assigned to the disposal agency otherwise appropriate hereunder.

(3) The classes set forth under its name in Exhibit I to this regulation.

The foregoing classes of property are herein called capital and producers' goods. In disposition, Reconstruction Finance Corporation may act directly or through any of its subsidiary corporations, created pursuant to Section 5d (3) of the Reconstruction Finance Act, as amended, designated by it. Except as above stated, the Administration does not deem it feasible to assign property for disposition to a subsidiary of Reconstruction Finance Corporation.

C. United States Maritime Commission and Navy Department. There is hereby assigned to the Maritime Commission for disposition all surplus war property of the following classes:

(1) Shipyards, repair yards, marine terminals and similar marine real property including buildings and fixtures. If, however, the Maritime Commission shall determine that any such property should not be disposed of for the purpose of making it available for use in connection with building, repair, or operation of ships, such property shall constitute industrial real property and be assigned to Reconstruction Finance Corporation.

(2) Such personal property, including machinery and other equipment, materials and products finished or in process as are reported as surplus to the Maritime Commission by the owning agency as an integral whole in conjunction with the maritime real property where they are located, and as should in the judgment of the Maritime Commission be disposed of as a unit for maritime use. If not so disposed of, such personal property is hereby assigned to the disposal agency otherwise appropriate hereunder.

(3) The classes set forth under its name in Exhibit I to this regulation, except as set forth in the next succeeding paragraph.

The foregoing classes of property are herein called ships and maritime property. The Administration does not deem it feasible to assign to the Maritime Commission, and therefore assigns to the Navy Department, for disposition (a) ships under the cognizance of the Navy Department which fall into the categories of combat ships or naval auxiliaries, other than those based on commercial designs or susceptible of commercial usage, and (b) such property of classes set forth under the name of the Maritime Commission in Exhibit I to this regulation as appertains to or forms an integral part of a ship disposed of by the Navy Department.

D. War Food Administration. There is hereby assigned to the War Food Administration for disposition all surplus war property of the classes set forth under its name in Exhibit I to this regulation. Such classes of property are herein called food and are the only classes of property which the Administration deems it feasible so to assign.

E. National Housing Agency. There is hereby assigned to the National Housing Agency for disposition all surplus war property of the class of housing property (including such community facilities financed through the Federal Works Agency as are located on the sites of housing projects) other than that under the control and jurisdiction of the War Department or the Navy Department.

F. Federal Works Agency. There is hereby assigned to the Federal Works Agency for disposition all surplus war property of the class of community facilities financed through such Agency, other than those located on the sites of housing projects.

G. Foreign Economic Administration. There is hereby assigned to the Foreign Economic Administration for disposition all surplus war property, of whatsoever nature, located outside the continental United States, its territories and possessions.

H. Property Unassigned. Surplus war property not covered by the foregoing assignments, including in particular real property not covered by parts IB, IC, IE and IF, will be assigned by subsequent regulation. Pending such regulations owning agencies are authorized to exercise existing powers of disposition, keeping the Administration currently advised of their plans, policies and procedures with respect to such disposition.

I. Exceptions. There is excepted from the foregoing assignments all surplus war property of which, by part III of this regulation or by other regulation or policy statement of the Administration, owning agencies are authorized to make disposition.

J. Transfers. By arrangements authorized or approved by the Administration, property initially assigned to one disposal agency hereunder may be reassigned to another for disposition.

II. PROCEDURES FOR REPORTING SURPLUSES

A. Property to Be Reported. Except as to unassigned property and surplus war property of which, by part III of this regulation or by other regulation or policy statement of the Administration, owning agencies are authorized to make disposition, all property of any agency which is determined by such agency to be surplus, as provided in Executive Order No. 9425, shall be reported as herein set forth.

B. When Reports Filed. All such surplus war property will be reported as herein set forth immediately upon the determination by the owning agency that such property is surplus.

C. Where Reports Filed. (1) *Real Property*: (a) All surplus real property assigned in part I of this regulation, including plants, buildings and fixtures, will be reported to the disposal agency designated in part I for the disposition thereof. Reports to the Maritime Commission will be reported to the appropriate office of that agency listed in Exhibit II to this regulation. Reports to any other disposal agency for real property, including Reconstruction Finance Corporation, will be sent to its central office in Washington, D. C.

(b) In reporting as surplus real property, or properties comprising both realty and personalty which, in the judgment of the owning agency, can best be disposed of as an integral whole, the owning agency shall submit for each unit a completely itemized and descriptive inventory docket within which the personal property involved shall be fully described and listed in conformity with the major groups (two digits) of the Standard Commodity Classification set forth in Exhibit I to this regulation. Brief preliminary reports, presenting the major characteristics of such properties, should be submitted as far in advance of their actually becoming surplus as is possible.

(c) Whenever a property unit comprising both real and personal property has been reported pursuant to paragraph (b) above, and the disposal agency for the real property determines that any of the personal property can best be disposed of separately, such disposal agency will report such personal property to the disposal agency designated therefor under part I.

(2) *Personal Property*: (a) *Where Reports Filed.* With the exception of personal property included in reports of real estate under paragraph 1 (b) above, all surplus personal property will be reported to the appropriate office of the disposal agency designated therefor in part I, for the region in which the property is located; Exhibit II to this regulation lists all such offices and the regions covered by them; provided, however, that where it proves impracticable to make a sufficiently complete segregation of the various classes of property involved in termination inventories or supply property of the Army or Navy to permit the reporting of each such class to the proper disposal agency, this regulation shall be deemed to be complied with if termination inventory property is reported to the appropriate regional office of Reconstruction Finance Corporation and supply property to the appropriate regional office of the Procurement Division of the Treasury Department, where any necessary segregation and forwarding to another disposal agency will take place; all such reports shall nevertheless comply with the requirements of paragraph 2(b) below. Pending further regulations, reports of surpluses located abroad shall be made to the central office of the Foreign Economic Administration in Washington, D. C., or elsewhere as agreed upon by that Administration and the owning agency.

(b) *Forms.* All reports of surplus war property which is personal property shall, except as set forth in part II C (1) (b), be made on Forms SWPA-1 and SWPA-1 (a) set forth in Exhibit III to this regulation. Such forms shall be used in the manner set forth in the instructions forming a part of such Exhibit.

III. RESPONSIBILITIES OF OWNING AGENCIES

A. Maintenance of Inventories. Owning agencies are urged to establish as promptly as practicable and maintain currently their inventory records in accordance with the Standard Commodity Classification described in Exhibit I.

B. Determination of Surplus. Each owning agency will determine what property in its possession or control is surplus, until and unless the Office of War Mobilization shall exercise the applicable authority referred to in Executive Order No. 9425. Particularly during the current phase of the war, owning agencies are urged to exercise the utmost diligence in ascertaining the existence of surpluses and declaring them promptly for disposition. Accordingly, it shall be the responsibility of each owning agency to hold only such property as may be essential for the prosecution of its programs. Through agency procedures inventories shall be reduced to these required levels by declaring as surplus all unneeded items not hereby authorized to be sold by the owning agency.

C. Sales by Owning Agencies. To the extent that surplus war property coming within the scope of this regulation is involved therein, owning agencies are authorized to dispose, or authorize contractors to dispose, of property without declaring it as surplus, in the following situations, to the full extent that such disposition is provided for or permitted by law:

(1) *Termination Inventories.* Termination inventories may be disposed of during the course of the termination proceedings, in accordance with the policies set forth in the Administration's letter to the major procuring agencies and Statement of Policies to be Followed by Government Agencies in the Sale of Contract Termination Inventories, both dated April 21, 1944.

(2) *Nominal Quantities.* Owning agencies may sell single items or groups of items, when the cost of all substantially similar items which are surplus at any one location does not exceed $1,000.

(3) *Scrap and Salvage.* Pending the issuance of specific regulations governing scrap sales of property other than termination inventories, property which is damaged beyond economical repair, and waste, scrap, salvage and other comparable items, may be sold by owning agencies. Such sales shall be made in conformity with the policies to procedures set forth in part IV of the Administration's Statement of Policies to be Followed by Government Agencies in the Sale of Contract Termination Inventories, dated April 21, 1944, where applicable, or in conformity with established salvage procedures or manuals of the owning agencies, if such procedures or manuals have been filed with the Administration. Sales of scrap by owning agencies shall be reported to the appropriate regional office of Reconstruction Finance Corporation (whether or not such scrap constitutes termination inventory) in such manner and at such times as that Corporation shall direct. That Corporation shall promptly advise the Administration of any situation in which scrap sales in any area are at such unsatisfactory price levels that sales should be stopped. That Corporation shall likewise, at the earliest possible moment, provide a system of local or regional consultants upon whom the representatives of the owning agencies can call for advice and assistance on questions concerning the scrapping of property and the marketing of scrap.

(4) *Property Located Outside the United States.* (a) *In active theaters of operation.* Military and naval commanders in active theaters of operation may sell or otherwise dispose of any surplus property within their control. (b) *General.* Owning agencies, pending further regulations, may sell surplus property in localities outside the continental United States, its territories and possessions where the Foreign Economic Administration has no local representative, and in localities in the territories and possessions of the United States where the appropriate disposal agency has no local representative.

(5) *Advance Clearance.* Where special circumstances, such as danger of deterioration or sanitary or other hazard, make immediate sales by owning agencies desirable without surplus declaration, advance clearance may be obtained from the Administration or such agency as it may designate for the purpose.

D. Reports to Disposal Agencies. (1) *Regional Basis of Reporting.* Owning

agencies will establish and maintain such organizations and procedures as are necessary to enable them to make reports of surplus property to the disposal agencies on a regional basis, in accordance with the procedures established in part II of this regulation.

(2) *Withdrawal of Property Reported.* After reporting property to a disposal agency, the owning agency will hold the property subject to disposition instructions from the disposal agency. When property has been reported as surplus, the disposal agency shall thereupon have the exclusive right and obligation to make disposition thereof for the United States. Where unforeseen circumstances arise, however, the owning agency may, with the consent of the disposal agency, withdraw such property for its own use or other disposition prior to its disposition by the disposal agency.

(3) *Limitations on Power of Disposal.* Owning agencies will accompany each report of surplus with a statement clearly indicating what, if any, legal restrictions exist as to their power to dispose of the property in question. In the absence of any such statement, disposal agencies shall conclusively assume that they have unrestricted power to dispose of the property for the United States, subject to the applicable regulations of the Administration.

E. Storage, Packing and Shipping. (1) *Future Policy.* The Administration recognizes the desirability of having a single responsibility for both the sale and the storage, packing and shipping of each class of surplus property. Manpower and facilities shortages prevent this from being effected at the present time. Every effort will be made, however, to provide for the requisite transfer from owning to disposal agencies as soon as these conditions permit, and certainly at some stage between the ending of the first phase of the war and conclusion of the war.

(2) *Present Operations.* (*a*) The owning agency will provide storage for property reported to the disposal agency pending removal or disposal by the disposal agency. At the request of the disposal agency the owning agency will permit reasonable inspection of the property. Upon receipt of shipping instructions from the disposal agency, the owning agency will prepare the property for shipment and will ship in accordance with such instructions.

(b) Pending further regulations, accountability for surplus property will pass to the Procurement Division of the Treasury Department, as to property assigned to it under part I of this regulation, to the same extent and in the same manner as has heretofore been the case under Executive Order No. 9235, but accountability for all other surplus property will remain in the owning agency until the property is delivered upon the order of the disposal agency.

IV. RESPONSIBILITIES OF DISPOSAL AGENCIES

A. Disposal. Disposal agencies shall have the exclusive right and obligation to make disposition, subject to the regulations of the Administration, of all property declared to them as surplus. They shall conclusively assume, unless otherwise notified by the owning agency, that property declared as surplus by an owning agency is property of the United States and that they have unrestricted power to dispose thereof for the United States, subject to the applicable regulations of the Administration. The exclusive responsibilities of disposal agencies shall include determining methods of sale, identity of purchasers and price, execution of all necessary documents in connection with disposal, including any necessary documents of title, and the collection and proper treatment of all proceeds. The military agencies, if they so request in conjunction with the report of surplus, will be consulted prior to the sale of any tactical equipment reported by them.

B. Inventories. Disposal agencies will establish and maintain, in each region in which they receive reports of surplus, inventories of all surplus war property reported to them. Such inventories will be maintained in accordance with the Standard Commodity Classification described in Exhibit I.

C. Storage, Packing and Shipping. Disposal agencies will proceed as promptly as is practicable so to organize their activities and personnel as to carry out the policy set forth in part III E (1) of this regulation.

V. INTERAGENCY COOPERATION

While there shall be strict adherence to the basic principle of Executive Order No. 9425 that there shall be a single disposal agency for each class of property, disposal agencies will make use, to the extent practicable, of facilities of other agencies which can assist them in their task, and will in turn, through the organization of regional consultants and coordinating and advisory committees and otherwise, render all possible assistance to owning agencies in connection with dispositions made by or under the authority of the owning agencies. Conversely other agencies will make available to the disposal agencies all assistance and facilities which the disposal agencies may reasonably request.

VI. SALES POLICIES

All sales of surplus war property, whether made by disposal agencies or by or under the authority of owning agencies, will be made in accordance with the policies, regulations or directions of the Administration or, with its authority, of the disposal agencies. In the absence of specific directions, such as those heretofore issued with respect to sales of termination inventories, sales may be made in such manner as the selling agency shall deem advisable, adhering to the primary principle that a reasonable test of the market, having due regard for the nature, condition, quantity and location of the property, is a necessary prerequisite to any sale.

VII. ACCOUNTING PROCEDURES

Pending specific regulations on the subject, accounting and fiscal procedures and practices of the disposal agencies shall be conducted by the disposal agencies in such manner as they deem appropriate in order to conform to existing laws and regulations.

VIII. REDISTRIBUTION WITHIN GOVERNMENT

Disposal agencies will so organize their activities that information as to the availability of surplus war property will at all times be readily obtainable by all agencies. Information as to stocks will be interchanged between offices of the disposal agencies in order that large quantities of scarce items reported in one region may be made available to other regions for distribution, where appropriate. Pending the issuance of more specific instructions, both the procuring agencies and the disposal agencies will take all practical steps to assure as full utilization within Government of available surplus property as is consistent with (a) the nature of the item, (b) timely procurement by the procuring agencies, and (c) prompt disposal by the disposal agencies.

EXHIBIT I TO REGULATION NO. 1: ASSIGNMENT OF PROPERTY TO DISPOSAL AGENCIES

The assignments herein contained are based on the classifications contained in the Standard Commodity Classification (Government Printing Office, May, 1943, and February, 1944). That Classification contains a number of so-called major groups, which are designated by two digits only (such as O1—Live Animals; 65—Drugs and Medicines). These major groups in turn are broken down into classes of property represented by the two digits of the major group plus additional digits (such as 65 48—Marine liver oil, etc.). All of the major groups now being assigned are listed in this Exhibit, but only such of the lesser groups are listed as are necessary to carve out of a major group assigned to one agency types of property included therein which are assigned to another. For a complete breakdown of each major group, reference must be made to the Standard Commodity Classification itself.

It should further be noted that for reporting purposes, while reference to this Exhibit is necessary to ascertain the proper disposal agency, one report may include all property in a major group (two digits) at one location which is assigned to a single disposal agency.

PART 1—CRUDE MATERIALS

RECONSTRUCTION FINANCE CORPORATION			TREASURY PROCUREMENT		WAR FOOD ADMINISTRATION	
			01	Live Animals, other than food animals	01	Live Animals, except non-food animals
					02	Crude Animal Products, Edible
03		Crude Animal Products Inedible, Except Fibers				
					04	Crude Vegetable Products, Edible
05	5	Crude rubber and allied gums			05	Crude Vegetable Products, Inedible, except Fibers (except as indicated)
05	628	Jac				
05	7	Crude medicinal herbs, roots, barks, and other plant parts, except U.S.P., N.F. and similar grades				
05	93	Crude cork				
05	94	Loofa Sponges				
06		Fibers, Vegetable and Animal, Unmanufactured (except as indicated) (Note inclusion of foreign wool and mohair)			06 1	Cotton
					06 22	Flax (Only Domestic Production)
					06 23	Hemp (Cannabis Sativa)
					06 5	Wool and related specialty hair (only domestic production)
07		Coal, Crude Petroleum, and Related Crude Hydrocarbons				
08		Metallic Ores, Tailings, Concentrates and their unrefined Metallic Products				
09		Crude Nonmetallic Minerals, Except Coal and Petroleum				

PART 2—BASIC MATERIAL AND PRODUCTS

RECONSTRUCTION FINANCE CORPORATION			TREASURY PROCUREMENT		WAR FOOD ADMINISTRATION	
11		Leather				
12		Boot and Shoe Cut Stock and Shoe Findings				
13		Wood Basic Materials, Except Pulpwood (except as indicated)	13 91	Cooperage Stock, Fabricated		
			13 92	Rattan, Willow and Bamboo Stock		
			13 94	Box and Crate Shook		
			13 97	Handles		
14	1	Pulpwood	14	Pulp, paper and paper board (except as indicated)		
14	2	Paperbase stocks except pulp				
14	3	Woodpulp				
14	4	Other Pulp				
14	6	Building paper				
14	8	Building board				
15	2	Jute Basic Textiles	15	Textile Basic Manufactures (except as indicated)		
15	66	Curled hair (similar to 06.7)				
15	71	Silk Semi Manufactures				
15	72	Silk Yarn				
15	81	Rayon, Nylon etc. Semi Manufactures				
15	82	Rayon, Nylon, etc. Yarn				
15	912	Jute Cordage except sizes less than ¾" cross sectional diameter				
15	913	Soft Fiber Cordage except sizes less than ¾" cross sectional diameter				
15	914	Hard Fiber Cordage and Twine (All)				
16	52	Industrial Molasses			16	Food and Beverage Basic Materials (except as indicated)
17	7	Waxes, Animal and Vegetable			17	Oils, Fats, Waxes and Derivatives, Animal and Vegetable (except as indicated)
18		Petroleum and Coal Products. Except Raw Materials for Chemical Industries				

PART 3—END PRODUCTS

RECONSTRUCTION FINANCE CORPORATION			TREASURY PROCUREMENT		WAR FOOD ADMINISTRATION	
19		Chemicals (except as indicated)	19	Chemicals, to the extent of materials packaged for delivery to retail outlets	19 271	Rosins
					19 272	Turpentine
					19 274	Pine Oil
					19 275	Pine Pitch
					19 276	Pine Tar
21		Iron, and Iron and Steel Scrap				
22		Steel (except as indicated)	22 52	Barbed and twisted wire		
23		Ferro and Nonferrous Additive Alloys				
24		Nonferrous Metals				MARITIME COMMISSION
25		Fabricated Metal Basic Products (except as indicated)	25 42	Truck Tanks	25 53	Marine Basic Hardware
			25 51	Builders' Basic Hardware	25 31	Power Boilers Marine
			25 54	Motor Vehicle Hardware		
			25 56	Casket Hardware		
			25 57	Furniture Hardware		
			25 58	Trunk & Luggage Hardware		
			25 59	Miscellaneous Basic Hardware		
			25 61	Automotive Vehicle Bodies		
			25 64	Combat Vehicle Bodies		
			25 75	Insect Screening		
			25 76	Woven Wire Fencing		
			25 77	Wire Nails, Tacks & Staples		
			25 78	Wire Springs		
			25 7901	Wire Chain		
			25 7903	Chain Link Fencing		
			25 7906	Wire Hoops		
			25 91	Chain and Attachments		
			25 94	Bolts, Nuts, Screws, Rivets, etc.		
			25 98	Cut Nails, Tacks & Spikes		
			25 99	Miscellaneous Fabricated Products		
26		Nonmetallic Mineral Basic Products—Chiefly Structural (except as indicated)	26 1	Glass Basic Products		
27		Nonmetallic Mineral Basic Products—Chiefly Non-structural (except as indicated)	27 1	Glass Basic Products (except 3 items)		
				27 1431 Railroad Signal lenses		
				27 152 Radio tubes (glass only)		
				27 16 Insulators		
			27 2	Abrasive Basic Products, Natural and Synthetic, Manufactured—to the extent the materials are packaged for retail sale or can be considered hand tools.		
			27 32	Asbestos and asbestos metallic packing and gaskets, to the extent of automotive parts.		
			27 33	Asbestos woven or moulded friction material, to the extent of automotive parts (principally brake linings and clutch facings).		
			27 92	Pottery		
			27 93	Pottery Supplies		
			27 94	Ceramic Products		
29		Miscellaneous Basic Materials (except as indicated)	29 1	Rubber Fabricated Materials		
			29 28	Automotive Plastic Parts, also any motor vehicle items elsewhere in 29 2		
			29 91	Button Blanks, Moulds and other parts		
			29 92	Beads, Bugles and Spangles		
			29 95	Catgut and Wormgut		
31		General Purpose Industrial Machinery & Equipment (except as indicated)	31 6	Industrial trucks, tractors, trailers, stackers and accessories	31 582	Winches
					31 583	Anchor Windlasses
			31 97	Lubrication equipment—to the extent the items are for use in connection with motor vehicles	31 584	Capstans
32		Electrical Machinery & Apparatus (except as indicated)	32 412	Battery Charging Generators (except Aircraft)		
			32 432	Starter Motors (except Aircraft)		
			32 45	Motor Ignition Equipment (except Aircraft)		
			32 514	Plug Fuses		
			32 53	Lamp Sockets		
			32 7	Lamps (except 32 73 Aviation Service Lamps)		
			32 8	Electric appliances, household and commercial		
			32 91	Dry Cell Batteries		
			32 92	Storage Batteries		
33		Special Industrial Machinery	33 54	Tire repairing machinery and equipment		
			33 995	Automobile service station equipment		
34		Metal Working Machinery				
			35	Agricultural Machinery & Implements		
			36	Construction, Mining, Excavating and Related Machinery		
			37	Tractors		
			38	Office Machines		
39		Miscellaneous Machinery (except as indicated)	39 11	Home Type Laundry Equipment		
			39 20	Home Sewing Machines		
			39 43	Calculating & Computing Scales		
			39 44	Coin Operated Scales		
			39 45	Spring Scales, Household		
			39 50	Cash Registers		
			39 60	Coin Operated Machines		
41		Communications Equipment and Electron Devices (except as indicated)	41 1	Radio Broadcast receivers		
42		Aircraft				
					43	Ships, Small Watercraft and Marine Propulsion Machinery
44		Railroad Transportation Equipment				
			45	Motor Vehicles		
			49	Miscellaneous Transportation Equipment		
			51	Plumbing and Heating Equipment		
52	7	Ice Making and Cold Storage Plant Systems, Components and Accessories	52	Air Conditioning and Refrigerstion Equipment (except as indicated)		
52	92	Industrial Refrigerstion Units				
52	12	Central Station Air Conditioning Systems				
53	32	Railroad Signal Fixtures	53	Lighting Fixtures (except as indicated)	53 2	Marine Fixtures
53	7	Airport, Airway & Seadrome lighting				

RECONSTRUCTION FINANCE CORPORATION			TREASURY PROCUREMENT			MARITIME COMMISSION		
53	81	Train lighting fixtures						
53	86	Aircraft lighting fixtures						
			54		Furniture & Fixtures			
			55		Photographic Goods and Processed Motion Pictures			
			56		Optical Instruments & Apparatus			
57		Indicating, Recording and Controlling Instruments and Accessories except watches and clocks (except as indicated)	57	11	Thermometers	57	65	Compasses and accessories (Marine)
			57	14	Heating & ventilating controls and accessories	57	66	Azimuths Sextants and Octants
			57	56	Taximeters and Parking meters	57	691	Taff Rail Logs
			57	341	Household refrigeration controls			
			58		Professional and Scientific Instruments and Apparatus			
59	15	Hazard measuring devices	59		Miscellaneous Equipment (except as indicated)			
59	18	Machine guards						
59	20	Water purification equipment except 59 241, Home Water softeners						
59	55	Sprinkler System Components						
59	77	Railroad Signal Controls						
								WAR FOOD ADMINISTRATION
						61		Food, Manufactured
						62		Feed, Manufactured
						63		Beverages and Ice
						64		Tobacco Manufactures
65		Drugs and Medicines, to the extent that they are not prepared or packaged for sale to retail outlets or institutions. (Bulk, unfinished drugs and medicines requiring processing or packaging not ordinarily done by a wholesale or retail store.)	65		Drugs and Medicines (except as indicated)	65	481	Marine liver oil, derivatives, and preparations, except Marine liver oil Concentrates in Solution, m.g.
						65	68	Vitamins, Vitamin-Active Compounds and Preparations containing one and more than one Vitamin, m.g.
								MARITIME COMMISSION
			66		Toiletries, cosmetics, soap, and household chemical preparations			
			67		Apparel, except footwear			
			68		Footwear			
			69		Fabricated Textile Products except apparel			
			71		End Products of Leather except apparel, Footwear and luggage			
			72		Converted Paper Products and Pulp Goods			
			73		Products of Printing and Publishing Industries			
			74		Rubber End Products			
			75		End Products of Metal Industries	75	953	Cargo nets, wire rope
						75	954	Wire rope slings
76	51	Lasts for boots and shoes	76		Finished Wood Products, except Furniture and Rail Work (except as indicated)			
76	52	Last sole patterns						
			77		End Products of Glass, Clay and Stone			
			79		Miscellaneous End Products of Manufacturing Industries			
			81		Small Arms and Components			
			83		Small Arms Ammunition and Specifically adapted Components			

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